

Article - Local Government

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§20–428.

(a) (1) Subject to paragraph (2) of this subsection, to protect hotel rental tax revenue, a county may require a hotel to file security with the county in an amount that the county determines.

(2) Cecil County, Talbot County, and Wicomico County may require security under this section only for a hotel that has been in default.

(b) Security under this section shall be:

(1) a bond issued by a surety company that is:

(i) authorized to do business in the State; and

(ii) approved by the Insurance Commissioner as to solvency and responsibility;

(2) cash; or

(3) security approved by the county.

(c) (1) If security is required under this section, the county shall give the hotel notice of the amount of security.

(2) Within 5 days after a hotel receives notice that security is required, the hotel shall:

(i) file the security; or

(ii) submit a written request for a hearing on the security requirement.

(d) (1) If a hearing is requested under subsection (c) of this section, the county shall hold a hearing to determine the necessity, propriety, and amount of the security.

(2) (i) The determination at the hearing is final.

(ii) The hotel shall comply within 15 days after the hotel receives notice of the determination.

(e) Without notice to the hotel that files security under subsection (b)(2) or (3) of this section, the county at any time may:

- (1) apply the cash to the hotel rental tax due; or
- (2) sell the security and apply the proceeds of the sale to the hotel rental tax due.

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